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# *Smack Apparel*, College Color Schemes and the Muddying of Trademark Law

## INTRODUCTION

In 2008, the collegiate licensing industry scored a major victory in its ongoing quest to secure revenue streams and to protect the brand images of universities.<sup>1</sup> That victory, however, created major potential problems for trademark law. In *Board of Supervisors for Louisiana State University Agricultural and Mechanical College v. Smack Apparel Co.* (“*Smack Apparel*”), the Fifth Circuit held that a university’s color scheme, combined with “other identifying indicia” of the university, was entitled to trademark protection under section 43(a) of the Lanham Act, thus allowing universities to block certain unlicensed uses of their color schemes on products.<sup>2</sup>

The defendant, Smack Apparel—whose website boasts that its products are “licensed only by the First Amendment”<sup>3</sup>—sold t-shirts that used the color schemes of Louisiana State University and other universities, including the other three plaintiff universities—Ohio State University, University of

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<sup>1</sup> *E.g.*, E-mail Interview with Bruce Siegal, Senior Vice President and General Counsel, IMG College/Collegiate Licensing Company (Nov. 2, 2009) (on file with author) [hereinafter Siegal Interview] (calling the outcome a “significant victories [sic] for the schools that took action to protect their marks and the marketplace position of legitimate retailers and licensees”). The Collegiate Licensing Company was a named plaintiff in *Board of Supervisors of Louisiana State University v. Smack Apparel*, 550 F.3d 465, 471-72 (5th Cir. 2008), and it serves as the licensing agent for the plaintiff universities.

<sup>2</sup> 550 F.3d at 471, *cert. denied* 129 S. Ct. 2759 (2009). The Lanham Act contains the federal statutes pertaining to trademark law. 15 U.S.C. §§ 1051-1141n (2006). Two other United States District Court cases—one prior to and one after *Smack Apparel*—have addressed the issue of university color schemes. *See* Texas Tech Univ. v. Spiegelberg, 461 F. Supp. 2d 510 (N.D. Tex. 2006) (color scheme found to be valid trademark); Univ. of Kansas v. Sinks, 644 F. Supp. 2d 1287 (D. Kan. 2008) (The court declined to overturn a jury finding that a university color scheme lacked sufficient secondary meaning to be protectable as a trademark.). The *Smack Apparel* decision represents the only example of a United States Circuit Court of Appeals taking up the issue, and the United States Supreme Court denied Smack Apparel’s certiorari petition.

<sup>3</sup> SMACK APPAREL, <http://www.smackapparel.com> (last visited Jan. 3, 2011).

Southern California, and the University of Oklahoma.<sup>4</sup> The shirts did not mention the universities by name or use their logos or other registered trademarks, but rather combined their respective color schemes with indirect references to the universities by using geography, bowl championships, and/or allusions to rival teams.<sup>5</sup> For example, one shirt, marketed to University of Oklahoma ("OU") fans, used OU's crimson and crème colors and read "Bourbon Street or Bust" (with the "ou" in "Bourbon" in a different typestyle so that it stood out) on the front, and "Sweet as Sugar!" on the back; the combination referred to the 2004 Sugar Bowl contest to be played between OU and Louisiana State University ("LSU").<sup>6</sup> Another, marketed to Ohio State ("OSU") fans, used OSU's scarlet and grey scheme and read, "Got Seven?" on the front, and, "We do! 7 Time National Champs," on the back, along with a graphic of the state of Ohio and a marker denoting the location of Columbus, Ohio.<sup>7</sup> At the time, Ohio State had claimed seven national college football championships, and the shirt was an easily recognizable tribute to that achievement.<sup>8</sup>

Although the plaintiff universities did not possess registered trademarks in their color schemes, the words and phrases used on the offending shirts, or in any particular combinations thereof,<sup>9</sup> they successfully sued<sup>10</sup> Smack Apparel under section 43(a) of the Lanham Act,<sup>11</sup> which protects unregistered trademarks that are used in commerce,<sup>12</sup> and the Fifth Circuit affirmed the trial court's findings. The Lanham Act defines a trademark as "any word, name, symbol, or device, or any combination thereof—(1) used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods. . . ."<sup>13</sup>

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<sup>4</sup> *Smack Apparel*, 550 F.3d at 472. Also named as a plaintiff was the Collegiate Licensing Company, the licensing agent for all four universities. Wayne Curtis, the principal of Smack Apparel, was the only other named defendant. *Id.* at 471-72.

<sup>5</sup> *Id.* at 472-73.

<sup>6</sup> *Id.* at 472.

<sup>7</sup> *Id.* at 473.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 475.

<sup>10</sup> *Bd. of Supervisors for La. State Univ. v. Smack Apparel Co.*, 438 F. Supp. 2d 653 (E.D. La. 2006).

<sup>11</sup> 15 U.S.C. §§ 1051-1141n (2006).

<sup>12</sup> *See, e.g., GRAEME DINWOODIE & MARK JANIS, TRADEMARKS AND UNFAIR COMPETITION, LAW AND POLICY* 14 (2d ed. 2007).

<sup>13</sup> 15 U.S.C. § 1127 (2006).

The universities' lawsuit did not claim trademarks in their color schemes alone, but rather color schemes in combination with other unspecified "identifying indicia," and the court granted that protection.<sup>14</sup> The court determined that the university color schemes, combined with the identifying indicia, could be protected as trademarks because they possessed "secondary meaning" for consumers and served as "source identifiers" of university-licensed goods.<sup>15</sup> The court then went through the second prong of the trademark infringement test—the "likelihood of confusion" analysis—and determined that Smack Apparel's shirts infringed the plaintiff universities' marks because they were likely to create the impression that the universities had somehow licensed, sponsored, or otherwise approved the shirts.<sup>16</sup>

The *Smack Apparel* decision thus gave universities increasing opportunity to pursue not only unlicensed manufacturers who reproduced the universities' logos and other registered trademarks, but also manufacturers who merely combined the universities' color schemes with indirect references. Likewise, it also expanded the number of items for which manufacturers would have to seek licenses from the universities, presumably providing the universities with an expanded source of licensing revenue.

Courts have grown increasingly sympathetic to and protective of such interests in the context of trademark law.<sup>17</sup> To a certain extent, this sympathy is understandable. Universities invest enormous amounts of money, time, and effort in building up their educational and sports brands. They hope to generate revenues that will fund athletic and academic programs and to improve their image with applicants and the general public.

But these motivations are not sufficient justifications in themselves for the Fifth Circuit's holding, which not only distorts the letter of trademark law, but also the spirit of it. Courts should ask not only why universities *want* trademark protection for their color schemes (which is fairly understandable), but also whether it's a proper use of trademark law to afford such protections. Courts must stay true to the purposes of trademark law, which are primarily to

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<sup>14</sup> *Smack Apparel*, 550 F.3d at 476.

<sup>15</sup> *Id.* at 476-78.

<sup>16</sup> *See id.* at 478-85.

<sup>17</sup> *See* Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli*, 54 EMORY L.J. 461, 466-78 (2005).

protect producers and consumers against harmful consumer confusion as to the source of products.<sup>18</sup> Further, the role of the courts in trademark disputes should not be merely to secure revenue sources and protect control of brands, but also to balance such desires against concerns such as maintaining a workable trademark law scheme and avoiding undue barriers to market entry and free commerce.

This note will argue that *Smack Apparel* fails to balance these concerns. First, the decision misreads and misapplies the Lanham Act by creating an unclear and open-ended “color plus other identifying indicia” framework that does not satisfy the definition of a “mark.” Second, it mistakes consumer association of color schemes with the universities for consumer confusion about the source of the products bearing the colors. Finally, it ignores the longstanding fan and community interest in showing support for colleges and their teams, and the longstanding traditional uses of college color schemes by fans and local businesses in ways that have not been pursued as trademark violations. The result trends toward a regime where anyone wishing to make reference to a university with a commercial product must seek permission of the university (which the university can deny), and must pay a royalty even if approved. In doing so, *Smack Apparel* continues and advances a troubling expansion of trademark law beyond its purpose of avoiding “source confusion” and toward a creation of a right to total control over one’s brand and exclusive right to profit.<sup>19</sup>

Part I of this note will explain the general theory behind and legal limits of trademark protection and how it relates to companies that seek protection of their trademark colors. Part I will also examine how the court in *Smack Apparel* applied and arguably expanded trademark law to protect color schemes in a different way than the Supreme Court envisioned in *Qualitex Co. v. Jacobson Products, Inc.*<sup>20</sup> Part II will argue that the color-plus-other-identifying-indicia formula presented in *Smack Apparel* is unworkable as a trademark scheme because it is too open-ended and unclear—both in terms of what actual marks it protects and for what products the mark is valid. Part III will argue that university color schemes, even combined

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<sup>18</sup> See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:1 (4th ed. 2010) [hereinafter MCCARTHY ON TRADEMARKS].

<sup>19</sup> See generally Dogan & Lemley, *supra* note 17.

<sup>20</sup> 514 U.S. 159, 163 (1995) (colors alone protectable as trademarks provided they acquired “secondary meaning” in minds of consumers).

with other indicia, do not function as “source identifiers” under trademark law, but merely as references to the universities. It will also argue that college sports fans understand school color schemes as references to and displays of support for university sports teams, rather than as “source identifiers” of university products. Part IV will argue that universities’ interest in profiting from their brands must be balanced against the public’s interest in showing support for the universities and their teams, and that universities should not have monopolistic control over all commercial expressions of fan support. Part V will examine the ways in which *Smack Apparel* has already impacted university trademark enforcement and its potential to create further problems. And finally, the conclusion of the note will look at possible alternatives to the trademark scheme laid out by *Smack Apparel*.

I. THE PLACE OF *SMACK APPAREL* IN EXISTING TRADEMARK DOCTRINE

A. *The Functions of Trademark Law*

Trademark law is generally understood as having the dual function of consumer protection and producer protection. As a Senate report on the Trademark Act of 1946 (the “Lanham Act”) explained,

The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.<sup>21</sup>

In addition, trademarks are seen as having an economic efficiency function. First, they are believed to encourage the production of quality products by giving producers an incentive to create products of good and consistent quality so that consumers will remember and seek out the products under

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<sup>21</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782 (1992) (Stevens, J., concurring) (quoting S. Rep. No. 1333, 79th Cong., 2d Sess. 3 (1946)).

their trademarks.<sup>22</sup> Second, and relatedly, trademarks are believed to reduce consumers' "search costs"—they eliminate the time, effort, and expense it would take to compare the relative quality of a variety of products if there were no readily available, reliable signifiers of brand and maker.<sup>23</sup>

Trademark law has long encompassed tension between the benefits of protecting producer goodwill and the danger of creating a traditional property "right in gross"<sup>24</sup> in a trademark. As Judge Augustus Noble Hand put it:

A trade-mark is not property in the ordinary sense but only a word or symbol indicating the origin of a commercial product. The owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to competitors through their use of misleading marks. There are no rights in a trade-mark beyond these . . . . The question in each case is not whether the mark has been registered, or even whether it has at one time been used by the person seeking protection, but whether, as applied to a particular line of goods, it signifies the source.<sup>25</sup>

Trademarks are thus somewhat different from even other intellectual property rights in this way, in that what is protected is not a work or an invention but a particular usage.<sup>26</sup>

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<sup>22</sup> See, e.g., MCCARTHY ON TRADEMARKS, *supra* note 18, § 2.4 ("If consumers can learn about the quality levels associated with each brand, this gives each manufacturer an incentive to improve the quality of his product as much as consumers are willing to pay for it. By contrast, if there were no trademarks . . . a manufacturer would gain little or nothing from improving his product's quality. Consumers would be unable to recognize high-or low-quality brands, so sales would tend to go to manufacturers who reduced their price by cutting corners on quality. The result would be a race to produce inferior products, rather than competition to produce better ones.") (quoting The Craswell Report 7 (FTC Policy Planning Issues Paper: Trademarks, Consumer Information and Barriers to Competition, FTC Office of Policy Planning 1979)).

<sup>23</sup> See *id.* § 2.5 (quoting The Craswell Report 4-5 (FTC Policy Planning Issues Paper: Trademarks, Consumer Information and Barriers to Competition, FTC Office of Policy Planning 1979)) ("The effect of this brand-distinguishing function is to allow consumers to collect information . . . about particular brands of products. Without trademarks, a consumer could learn about the average quality of canned soup in general [for example], or could try to taste each individual can before buying it, but nothing would be available between these two extremes. Trademarks provide an intermediate solution by dividing the class of all cans of soup into various brands, so that consumers can learn about the qualities associated with each brand.").

<sup>24</sup> *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) ("The asserted doctrine is based upon the fundamental error of supposing that a trade-mark right is a right in gross or at large, like a statutory copyright or a patent for an invention, to either of which, in truth, it has little or no analogy. There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed." (internal citations omitted)).

<sup>25</sup> *Indus. Rayon Corp. v. Dutchess Underwear Corp.*, 92 F.2d 33, 35 (2d Cir. 1937).

<sup>26</sup> *Rectanus*, 248 U.S. at 97.

From the perspective of universities, stronger and more expansive trademark protection means more ability to generate revenue and greater control over one's brand. In 2008, collegiate-licensed retail product sales totaled \$4.3 billion,<sup>27</sup> representing an increase of 7.5% over the prior year even as overall retail merchandise sales decreased by 14%.<sup>28</sup> In the period from 2004 to 2008, sales of collegiate-licensed apparel—generally the largest sales category of licensed sports apparel<sup>29</sup>—grew 60%,<sup>30</sup> and sales of other collegiate-licensed products grew 67% during the same period.<sup>31</sup>

Louisiana State University, one of the four plaintiff universities in *Smack Apparel* and one of the five highest-grossing schools in licensing revenues,<sup>32</sup> receives a 10 percent royalty rate on the wholesale price of licensed merchandise.<sup>33</sup> There can be no doubt that part of the motivation for universities to seek to expand the scope of their trademarks is to continue to grow their licensing revenue.

Another motivation for universities in expanding their trademarks lies not only in profiting from licensed products but also in maintaining their brand images. Applicants, in order to become licensees via the Collegiate Licensing Company—which represents 200 universities, colleges, and collegiate athletic organizations<sup>34</sup>—must also receive approval for products from individual licensor institutions, which may reject products seen as offensive, obscene, or in some way inappropriate to the institution's image.<sup>35</sup> Louisiana State University, for example, has rejected poker chips—to avoid association with gambling—

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<sup>27</sup> The Collegiate Licensing Company, Collegiate Licensing Industry Overview at 41 (Aug. 2009) [hereinafter Collegiate Licensing Industry Overview]. The Collegiate Licensing Company, one of the plaintiffs in *Smack Apparel*, is the largest collegiate licensing company in the United States. *Media FAQs*, COLLEGIATE LICENSING COMPANY, <http://www.clc.com/clcweb/publishing.nsf/Content/faq-media.html?open&faqtype=media> (last visited Feb. 26, 2011). As of February, 2011 it represented “nearly 200 colleges, universities, bowl games, athletic conferences, the Heisman Trophy and the [National Collegiate Athletics Association].” *Id.*

<sup>28</sup> Collegiate Licensing Industry Overview, *supra* note 27, at 38.

<sup>29</sup> *Id.* at 42.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> Ryan Buxton, *University Trademark Licensing Brings Big Bucks*, DAILY REVEILLE (La.) (Oct. 14, 2009), <http://www.lsureveille.com/news/university-trademark-licensing-brings-big-bucks-1.1996649>.

<sup>33</sup> *Id.*

<sup>34</sup> *Media FAQs*, *supra* note 27.

<sup>35</sup> See, e.g., Buxton, *supra* note 32 (LSU rejects products such as a flush toilet that played the LSU fight song and a hat that was composed in part of a jockstrap).



as well as a hat made from a jockstrap, and a box of fake feces labeled “Tiger Peaux.”<sup>36</sup> Thus, by gaining greater control over university-related products, a school can maintain and strengthen its goodwill by preventing association with unsavory or undesirable products,<sup>37</sup> which in turn also helps protect revenue streams.<sup>38</sup>

Given their interests, the universities’ position is understandable. Trademark law has long recognized that trademarks serve the purpose of protecting investment in goodwill.<sup>39</sup> Universities invest in sports in particular with the hope of improving their brands and generating revenue. Further, on an intuitive level, one can see something slightly unsavory in the business practices of companies like Smack Apparel, who appear to be skirting as close as they can to the plaintiffs’ trademarks without violating them. In any case, it’s clear that Smack Apparel was intentionally free riding on the plaintiff universities’ sports successes, as both the trial and appellate courts noted.<sup>40</sup>

But the motive of protecting university goodwill must be balanced against other market concerns. An overly expansive and unclear trademark regime risks creating barriers to commerce by giving trademark holders broader ability to

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<sup>36</sup> *Id.*

<sup>37</sup> Apparently, however, some universities have no problem associating their marks with death:

The Alabama coffin fairly stands out: it’s a big red box with the school logo on the top and a white velvet “A” sewn into the lid. . . . The oddest detail is that the coffin is affixed with a small round sticker that reads “Officially Licensed Collegiate Product,” the same one you find affixed to sweatshirts and baseball caps.

WARREN ST. JOHN, RAMMER JAMMER YELLOW HAMMER 86 (2004).

<sup>38</sup> See, e.g., Siegal Interview, *supra* note 1 (“We view the case as being primarily about brand protection, which is based on the ability to protect and control the brand in a way that keeps infringing products (including unsavory products) at bay. Strong brand protection helps pave the way for a successful licensing program that maximizes revenues for the brand owner.”).

<sup>39</sup> See MCCARTHY ON TRADEMARKS, *supra* note 18, § 2:30 (“The creation of value in a trademark requires ‘the expenditure of great effort, skill and ability’ and a competitor should not be permitted to take a ‘free ride’ on the trademark owner’s good will and reputation.”) (quoting *Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th Cir. 1968)); see also *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir. 1976) (“[T]hose who invest time, money and energy in the development of goodwill and a favorable reputation [should] be allowed to reap the advantages of their investment.”).

<sup>40</sup> *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 489 (5th Cir. 2008) (“As noted by the district court, Smack copied the mark with an intent to rely upon the drawing power in enticing fans of the particular universities to purchase their shirts.” (internal quotation marks omitted)).

threaten and litigate against alleged infringers, and in turn discourages more businesses from risking infringement by delving into the murky gray area that results.

*B. The Requirements for a Valid and Protectable Mark*

Because trademarks are primarily source-identifiers, the Lanham Act requires that a mark be sufficiently “distinctive” to warrant protection.<sup>41</sup> The distinctiveness of a mark is measured along a spectrum consisting of five categories of marks: (1) “generic,” (2) “descriptive,” (3) “suggestive,” (4) “arbitrary,” or (5) “fanciful.”<sup>42</sup> At the low end of the spectrum, generic terms (for example “Bread” as an identifier of bread) are never protectable as trademarks.<sup>43</sup> At the upper end of the spectrum, suggestive, arbitrary, and fanciful terms are afforded a presumption of being “inherently distinctive.”<sup>44</sup> Descriptive terms, however, are never inherently distinctive and can be found distinctive, and thus, protectable, only if the user can prove “secondary meaning”—namely, that the mark has grown to be primarily associated in consumers’ minds with a particular source rather than the mark’s merely descriptive aspect.<sup>45</sup>

Colors, of course, cannot precisely correspond to “generic,” “descriptive,” “suggestive,” or “arbitrary” word marks, because colors function quite differently from words. But as explained below, courts have developed a scheme in which a purely color-based mark is treated somewhat like a descriptive mark: it can never be “inherently distinctive,” but can receive protection if the mark holder demonstrates that the color or color scheme has “secondary meaning” in the minds of consumers<sup>46</sup>—namely, that it functions primarily as a source-identifier.

*C. Trademark Protection of Colors*

Before *Qualitex Co. v. Jacobson Products Co.*,<sup>47</sup> the circuit courts were divided on whether color alone could receive

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<sup>41</sup> MCCARTHY ON TRADEMARKS, *supra* note 18, § 11:2.

<sup>42</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) (adopting the test from *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)).

<sup>43</sup> MCCARTHY ON TRADEMARKS, *supra* note 18, § 11:2.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> 514 U.S. 159 (1995).

trademark protection under the Lanham Act.<sup>48</sup> In its refusal, pre-*Qualitex*, to allow the trademarking of color alone, the Seventh Circuit expressed some of the more common reservations about allowing such protection—for example, that “infringement actions could soon degenerate into questions of shade confusion.”<sup>49</sup> Further, the court found that “if each of the competitors presently in the tabletop sweetener market were permitted to appropriate a particular color for its product, new entrants would be deterred from entering the market.”<sup>50</sup> In other words, there are a limited number of perceptibly different colors in the spectrum and every time a producer is allowed to monopolize a color or shade (and, by extension, confusingly similar shades), there are fewer colors for new market entrants to choose from. This concern for competition is, of course, not unique to color marks and often plays a key role in the formulation of trademark law.<sup>51</sup>

*Qualitex* resolved the circuit split. The Supreme Court held that *Qualitex*, the plaintiff, was entitled to trademark protection for the green-gold color of its dry-cleaning pads, thus ruling that there were certain circumstances where color alone could receive protection. But the Court’s holding was limited in two ways. First, it declared that color alone can never be “inherently distinctive”<sup>52</sup> and must thus achieve “secondary meaning”<sup>53</sup> to receive protection. As Justice Breyer wrote,

[O]ver time, customers may come to treat a particular color on a product or its packaging (say, a color that in context seems unusual, such as pink on a firm’s insulating material or red on the head of a large industrial bolt) as signifying a brand. And, if so, that color would have come to identify and distinguish the goods—*i.e.*, “to indicate” their “source”—much in the way that descriptive words on a product (say, “Trim” on nail clippers or “Car-Freshner” on deodorizer) can come to indicate a product’s origin. In this

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<sup>48</sup> See *id.* at 160-61 (comparing *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990) (absolute prohibition against protection of color alone), with *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (allowing registration of color pink for fiberglass insulation), and *Master Distribs., Inc. v. Pako Corp.*, 986 F.2d 219, 224 (8th Cir. 1993) (declining to establish per se prohibition against protecting color alone as a trademark)).

<sup>49</sup> *NutraSweet*, 917 F.2d at 1027, overruled by *Qualitex*, 514 U.S. 159.

<sup>50</sup> *Id.* at 1028.

<sup>51</sup> See, e.g., *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1430 (7th Cir. 1985) (“There are but a limited number of words and images suitable for use in describing a product, and sellers own neither the English language nor common depictions of goods.”).

<sup>52</sup> *Qualitex*, 514 U.S. at 163.

<sup>53</sup> *Id.* (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

circumstance, trademark law says that the word (*e.g.*, “Trim”), although not inherently distinctive, has developed “secondary meaning.”<sup>54</sup>

In other words, *Qualitex* allowed trademark protection for color alone only where the color serves “as a symbol that distinguishes a firm’s goods and identifies their source, without serving any other significant function.”<sup>55</sup> The Court concluded that the dry-cleaning pads at issue met that standard: “The green-gold color acts as a symbol. Having developed secondary meaning (for customers identified the green-gold color as Qualitex’s), it identifies the press pads’ source. And, the green-gold color serves no other function.”<sup>56</sup>

Of course, this appeared to present a narrow range of circumstances where a color could receive trademark protection, as the color had to serve no function other than identifying the source of the product. Such a conclusion is easy to reach in the case of products like dry-cleaning pads, or fiberglass insulation,<sup>57</sup> where the color of the product is unlikely to serve any function—even an aesthetic one<sup>58</sup>—other than distinguishing the product from those of competitors. But in many of its uses, color is functional and thus not protectable—because it somehow reduces cost, increases visibility, or otherwise helps the product serve its purpose.<sup>59</sup>

#### D. College Color Schemes Alone Would Not Be Protectable

The plaintiff universities in *Smack Apparel* almost certainly could not have obtained protection for their two-tone

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<sup>54</sup> *Id.* at 163 (internal citations omitted).

<sup>55</sup> *Id.* at 166.

<sup>56</sup> *Id.*

<sup>57</sup> *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1122 (Fed. Cir. 1985).

<sup>58</sup> The circuits remain divided over the so-called “aesthetic functionality” doctrine, in which aesthetics alone can be a sufficient “function” for the color of a product and thus bar trademark protection for the color. For a more thorough examination of the doctrine and its difficulties, see MCCARTHY ON TRADEMARKS, *supra* note 18, § 7.80. The Fifth Circuit rejects the doctrine of aesthetic functionality. *See, e.g.*, *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 487-88 (5th Cir. 2008).

<sup>59</sup> *See Inwood Labs. v. Ives Labs.*, 456 U.S. 844, 853 (1982) (declining to overturn a district court finding that color in pills was functional because patients associated certain colors with a “therapeutic effect” and also used colors to distinguish pills); *Dippin’ Dots, Inc. v. Frosty Bites Distribution, LLC*, 369 F.3d 1197, 1203-04 (11th Cir. 2004) (color found to be functional, and thus not entitled to trademark protection, because it indicated the flavor of the ice cream product); *Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234, 243 (4th Cir. 1997) (clear tip of fishing rod was functional because it showed that the tip was made of fiberglass).

color schemes alone for products like apparel, and they made clear that they were not seeking as much.<sup>60</sup> First, a two-tone color scheme, on its own, would probably fail to sufficiently serve as a source identifier (imagine a crimson and crème striped polo shirt with no other marks, for example—it's unlikely a consumer would assume that the shirt had anything to do with a particular university, let alone that it had been licensed or approved by a university). Further, the plaintiff universities would potentially run into clashes with other college and professional sports franchises. For example, Louisiana State University's purple and gold scheme is exceedingly similar to the color schemes used by the Los Angeles Lakers and the Minnesota Vikings,<sup>61</sup> and the crimson and crème color scheme is used by numerous other universities and colleges. One district court has even argued that university color schemes themselves may in fact be functional: "Football uniform colors clearly perform a function. They help avoid confusion as to team members for the benefit of officials, opposing team members and spectators."<sup>62</sup>

Thus *Smack Apparel* is not really a descendent of *Qualitex* at all; if anything it has more in common with cases—including those predating *Qualitex*—where color was merely an element of a trademark that also included words and/or images. But *Smack Apparel* represented a departure from those cases as well.

## II. THE PROBLEM OF "COLOR PLUS IDENTIFYING INDICIA" AS A MARK

The *Smack Apparel* plaintiffs did not seek protection for color schemes alone, but rather for color schemes combined with "other identifying indicia" of the universities.<sup>63</sup> The idea of

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<sup>60</sup> *Smack Apparel*, 550 F.3d at 473 ("[The plaintiffs] alleged that Smack's shirts infringed their unregistered trademarks by 'combining Plaintiffs' Marks with references to, *inter alia*, . . . (a) well-known and highly-publicized athletic events in which a University participated; (b) a University's opponent in the referenced athletic event; (c) the geographic area in which the referenced event takes place; (d) titles and honors bestowed as a result of the referenced athletic event; (e) a University's earlier athletic successes and accomplishments; and (f) the geographic area in which the University is located or associated.").

<sup>61</sup> Buxton, *supra* note 32 (Brian Hommel, the Director of Finance and Administrative Service at Louisiana State University said, "We don't own purple and gold. We won't make the Lakers or Minnesota Vikings stop using it.").

<sup>62</sup> *Univ. of Ala. Bd. of Trs. v. New Life Art Inc.*, No. CV 05-UNAS-PT-585-W, 677 F. Supp. 2d 1238, 1249 (N.D. Ala. 2009).

<sup>63</sup> *Smack Apparel*, 550 F.3d at 465.

a trademark consisting of color plus some other *specified* identifying indicia would hardly be novel under trademark law, and indeed such trademarks were held valid even before *Qualitex*.<sup>64</sup> But the protection of color plus *unspecified* identifying indicia was the real novelty of *Smack Apparel*. And in granting that protection, the Fifth Circuit misread and thus inappropriately broadened the Lanham Act.

Before a color mark—or any mark, for that matter—can be found to have the requisite “secondary meaning” for protection, it must be, in fact, a mark. An undefined “color plus other identifying indicia” formulation simply does not constitute a mark at all. The mistake occurs in the Fifth Circuit’s reading of section 1127—the definition section of the Lanham Act—which reads, in relevant part,

[t]he term ‘trademark’ includes any word, name, symbol, or device, or *any combination thereof* (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods.<sup>65</sup>

The decision seizes on the phrase “any combination thereof” and then reasons, “[b]ecause the court recognizes that trademarks may include color, we see no reason to exclude color plus other identifying indicia from the realm of protectable marks, provided the remaining requirements for protection are met.”<sup>66</sup> What the Fifth Circuit misunderstands is that the phrase “any combination thereof” in section 1127 refers to specific, defined marks that use some combinations of words, names, symbols, etc.<sup>67</sup> The definition of a trademark in section 1127 thus in no way implies that a valid mark may include an undefined and potentially limitless set of “identifying indicia.”

In the trademark registration context, marks with some indefinite “changeable or ‘phantom’ element,”—sometimes

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<sup>64</sup> See, e.g., *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990) (“This court’s interpretation of the Lanham Act adequately protects the use of color as an element of a trademark. Although color alone cannot be protected as a trademark, it may be protected if it is used in connection with some symbol or design or impressed in a particular design, as a circle, square, triangle, a cross, or a star.”).

<sup>65</sup> 15 U.S.C. § 1127 (2006) (emphasis added).

<sup>66</sup> *Smack Apparel*, 550 F.3d at 475-76.

<sup>67</sup> The Fifth Circuit’s analysis, while an improper application of trademark law, is stronger than the trademark analysis in the district court opinion, which fails even to examine the question of the definition of the mark and instead jumps directly into examining “secondary meaning” analysis. *Bd. of Supervisors for La. State Univ. v. Smack Apparel Co.*, 438 F. Supp. 2d 653, 656 (E.D. La. 2006).

referred to as “phantom marks,”<sup>68</sup>—are in fact strongly disfavored. Some of the policy reasons for this disfavor, admittedly, make sense primarily in the registration context—for example, the policy rationale of avoiding the registration of trademarks that become unsearchable to would-be users.<sup>69</sup> But, to a certain extent, the “notice” rationale can be extended to unregistered users, who cannot avoid violating a mark if they have no way of knowing what the mark is. And further, consumers cannot select a product by its mark if *they* don’t know what the mark is.

In some senses, the “plus other identifying indicia” formulation is even more problematic than the typical “phantom mark” situation, because it is even more open-ended. For example, International Flavors and Fragrances, Inc. was denied registration of the mark “LIVING XXXX FLAVORS” for essential oils to be used in flavoring commercial products, where the “XXXX” was to be replaced with the names of various flavors (“STRAWBERRY,” “CILANTRO,” “GREEN BELL PEPPER,” etc.)<sup>70</sup> on the rationale that the undefined portion of the mark made it an improper “phantom mark.” If anything, the “other identifying indicia” of *Smack Apparel* presents a far more vast and less defined universe of possibilities than the “XXXX” in the “LIVING XXXX FLAVORS” mark, since at least the “XXXX” must presumably be replaced with some flavor name.

As a counterexample, it is worth taking note of *J & J Snack Foods Corp. v. McDonald’s Corp.*<sup>71</sup> There, McDonald’s was afforded common-law protection of its “Mc” family of marks for food product names that combined “Mc” with generic food names (e.g., “McMuffin,” “McChicken,” and “McRib”). McDonald’s did not claim to own the “Mc” mark alone,<sup>72</sup> just as the *Smack Apparel* plaintiffs lay no claim to their color schemes alone, but nonetheless, the court allowed McDonald’s to block J & J Snack Foods Corp. from registering the trademarks “McPretzel” and “McDugal,” because they would be confusingly similar to McDonald’s “Mc” family of marks.<sup>73</sup> In that case, the court protected an unregistered trademark or “family” of marks

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<sup>68</sup> MCCARTHY ON TRADEMARKS, *supra* note 18, § 19:61.50.

<sup>69</sup> *In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1368 (Fed. Cir. 1999).

<sup>70</sup> *Id.*

<sup>71</sup> 932 F.2d 1460 (Fed. Cir. 1991).

<sup>72</sup> *Id.* at 1463. In fact, the “Mc” standalone mark was registered by McCormick & Company for use on spice products. *Id.*

<sup>73</sup> *Id.*

with an open-ended or missing element. But the open-ended element in the “Mc” family of marks presented a relatively narrow range of possibilities—for example, generic names of foods that might be offered in a fast-food restaurant—whereas “indicia” of a university seems to encompass almost anything that refers to a particular university, even by implication.

Because the color-plus-other-identifying-indicia test cannot be defined in terms of boundaries, it is unclear at what point such combinations would no longer fall within the protected range of marks. In other words, it’s unclear just what encompasses the “marks” that these universities purport to own, and thus it is unclear what would constitute infringement. What if, for example, a shirt displayed LSU’s purple and gold color scheme and the slogan “Beat Oklahoma,” but made no reference to being “2003 College Football National Champions”? Or what if the shirt merely displayed the school colors in stripes and showed a large “#1”? One might see such a shirt in the context of an athletic apparel store in the vicinity of LSU and assume it was a reference to the champion football team, or one might see it elsewhere and assume no such thing. Thus *Smack Apparel*’s misreading of the Lanham Act opens the door to overly expansive protection for a wide range of things that do not really fit the legal definition of trademarks, but are, at best, ambiguous references to a university.

In fact, as of January 3, 2010—over two years after the Fifth Circuit’s decision<sup>74</sup>—Smack Apparel’s website still featured a large line of shirts that use what appear to be university color schemes and thinly-veiled references to the universities. For example, if one clicks the link labeled “Baton Rouge, LA” (the hometown of Louisiana State University), one can purchase a shirt with gold and purple type reading “Baton Rouge, A Drinkin’ Town With a Football Problem,” as well as other purple-and-gold football-themed shirts. Shirts of a similar nature referencing the other three plaintiff universities are also still for sale, as well as similar shirts for dozens of other universities.<sup>75</sup> Smack Apparel’s continued sale of such

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<sup>74</sup> “Smack shirts that continue to be marked are still under review and further action may well be taken in the future.” Siegal Interview, *supra* note 1. Siegal did not comment on his perception of the legality or illegality of any particular Smack shirts. *Id.*

<sup>75</sup> See SMACK APPAREL, <http://www.smackapparel.com> (follow “College Smack” hyperlink) (last visited Feb. 11, 2010) (listing dozens of major college towns for which apparel is available).



shirts may merely suggest defiance or willful blindness.<sup>76</sup> It may also be that Smack Apparel privately agreed with universities to remove some of the offending shirts while being allowed to keep others, though the author knows of no such agreement. Further, if that is the case, it is not entirely clear why the aforementioned shirt would be acceptable to Louisiana State University while shirts targeted by the lawsuit would be unacceptable. Regardless, *Smack Apparel* did little to clarify what “trademarks” the universities actually own, or what would constitute infringement on those marks.

### III. THE PROBLEM OF “COLOR PLUS IDENTIFYING INDICIA” AS A “SOURCE IDENTIFIER”<sup>77</sup>

As illustrated in Part II, “color plus other identifying indicia” as a trademark is, at best, conceptually murky. For this reason alone, *Smack Apparel* should be overturned, or at least other courts should not extend it. When the law becomes muddled, it becomes more difficult to comply with and more difficult for courts to uphold. But at the same time, universities deserve the ability to prevent manufacturers of goods from creating consumer confusion as to their supposed approval or endorsement of a particular product. Whatever the definition of a “mark” is, one of its purposes is clearly to prevent manufacturers from giving the false impression that their goods are approved of or sponsored by an entity that does not in fact approve of or sponsor them. So putting aside the conceptual murkiness for a moment, it is worth asking whether goods that use university color schemes plus other identifying indicia of the universities necessarily give that false impression.

The crucial question, then, is whether the marks are, in fact, “source identifiers,” and this is where the analysis of the Fifth Circuit goes wrong. Both the plaintiffs and defendants seemed to agree that the color schemes, in combination with other identifying indicia of the universities, *refer to the*

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<sup>76</sup> Another successful trademark infringement action was recently brought against Smack Apparel in the Southern District of New York. *Heisman Trophy Trust v. Smack Apparel Co.*, 637 F. Supp. 2d 146 (S.D.N.Y. 2009). There, Smack Apparel continued to sell products that infringed on the Heisman Trophy Trust’s trademarks after Smack Apparel had agreed to cease doing so in a settlement agreement. *Id.*

<sup>77</sup> A recent article describes numerous recent cases—including one involving Smack Apparel—where courts have ignored or glossed over the source-identification purpose of trademark law. Smack Apparel is briefly discussed as an example. Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413, 419 (2010).

universities.<sup>78</sup> Smack Apparel's own arguments make it clear that their products are deliberate attempts to capitalize on fan affinity for certain universities and colleges.<sup>79</sup> But the court fails to adequately examine the *Smack* defendants' arguments, instead creating a conclusory equivalency between *referring to* the universities and creating confusion as to *source*.<sup>80</sup>

A. *Source Identification in the Licensing Context*

In order to examine this issue further, it's important to clarify exactly how a trademark operates in the context of licensed products, which is fairly different from the typical product trademark context. Normally, a trademark signifies that a particular product is of a certain brand or make. But when a trademark owner licenses a separate manufacturer to use the mark on goods—particularly goods that are “far-flung”<sup>81</sup> from the original or primary purpose of the trademark, the mark serves to identify the “secondary source” rather than the manufacturer:

Trademarks can also serve to identify and distinguish a “secondary source” in the sense of indicating sponsorship or authorization by a recognized entity. For example, the name or logo of a university on clothing can signify that the university authorizes, endorses and licenses the sale of such wearing apparel by the manufacturer. The same is true of sports teams' emblems, television marks and characters, and commercial firm's marks used on wearing apparel.<sup>82</sup>

Thus when a university licenses out its logo for use on apparel or dish-towels or even footballs or academic planners, the primary purpose is not to assure consumers of a certain consistent level of quality due to uniform manufacture, but to signify approval or endorsement by the university. Universities are providers of education, and—increasingly—sports entertainment; they are not, however, manufacturers of apparel or office supplies or household goods, and it is doubtful that most consumers imagine them to be.

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<sup>78</sup> Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 477 (5th Cir. 2008) (“Smack admitted it had incorporated the Universities' color schemes into its shirts to refer to the Universities and call them to the mind of the consumer.”).

<sup>79</sup> *Id.*

<sup>80</sup> *See id.*

<sup>81</sup> *See* MCCARTHY ON TRADEMARKS, *supra* note 18, § 24:9.

<sup>82</sup> *Id.* § 3:4 (internal citations omitted).

The First Circuit, in *Boston Athletic Ass'n v. Sullivan*,<sup>83</sup> rightfully pointed out the conceptual difficulties that can arise in dealing with licensed trademarks on far-flung products. In that case, the defendant—who was ultimately found to be infringing on the plaintiff's trademark—had produced unauthorized t-shirts emblazoned with the plaintiff's "Boston Marathon" mark. As the court noted:

[F]ew people, other than legal specialists, could venture an informed opinion on whether someone using the logo of the sponsor of a sporting event is required to have the permission of the event's sponsor. Lacking such knowledge, the question of approval is pure guesswork. To ask a factfinder to determine whether the public would think that defendants' shirts were "authorized" or "official" shirts is to ask it to resolve a confusing and, in many contexts, virtually meaningless question.<sup>84</sup>

The Court further points out that the question raises a "problem of circularity,"<sup>85</sup> and quotes the 1984 edition of *McCarthy on Trademarks and Unfair Competition*:

If consumers think that most uses of a trademark require authorization, then in fact they will require authorization because the owner can enjoin consumer confusion caused by unpermitted uses or charge for licenses. And if owners can sue to stop unauthorized uses, then only authorized uses will be seen by consumers, creating or reinforcing the perception that authorization is necessary. This is a "chicken and the egg" conundrum.<sup>86</sup>

The court ultimately went on to make a reasonable finding that confusion was likely, but based on a somewhat troubling premise: "Given the undisputed facts that (1) defendants intentionally referred to the Boston Marathon on its shirts, and (2) purchasers were likely to buy the shirts precisely because of that reference, we think it fair to presume that purchasers are likely to be confused about the shirt's source or sponsorship."<sup>87</sup> Thus the First Circuit's unfortunate solution to the "circularity problem" was to leap to an unwarranted conclusion—the Boston Marathon trademark must be perceived as a source indicator because it's the reason consumers buy the shirt.

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<sup>83</sup> *Bos. Athletic Ass'n v. Sullivan*, 867 F.2d 22 (1st Cir. 1989).

<sup>84</sup> *Id.* at 33.

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* (quoting 2 J.T. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 24:3, at 170 (2d ed. 1984)). A nearly identical passage now appears at 4 MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 24:9 (4th ed. 2011).

<sup>87</sup> *Bos. Athletic*, 867 F.2d at 34.

Of course, it's arguable that when consumers see certain kinds of "official" word marks or logos, they do have a perception of a single source. The proliferation of licensing, which has been explosive even in the two decades since *Boston Athletic v. Sullivan*, may have created a consumer expectation that a university or other athletic team logo functions as a kind of official seal of approval—that a shirt bearing the LSU logo must require licensing by LSU.<sup>88</sup> Mark Lemley, now a Stanford Law School professor, has argued that such an established consumer expectation might be justification enough to preserve trademark protection for licensed sports marks, since this expectation alone could lead to consumer confusion.<sup>89</sup> But, Lemley cautions, "a limited, likelihood-of-confusion rationale for keeping a bad law intact is quite different from a theoretical justification for cementing and extending the merchandising right."<sup>90</sup>

By extension of Lemley's reasoning, the color-scheme-plus-indicia formula of *Smack Apparel* does not warrant the same protection as a university logo. The *Smack Apparel* court presents little if any evidence that the public has come, by operation of the law and the proliferation of licensing, to understand a color-scheme-plus-indicia as an official symbol of the university's approval.<sup>91</sup> In fact, only recently have any courts even suggested that color plus identifying indicia could serve as a mark, so it's unlikely that the consuming public has fully absorbed the idea that a shirt displaying only color schemes and indicia, without the presence of any other specific marks, requires approval.

The Fifth Circuit in *Smack Apparel* rests its finding of secondary meaning (and thus source-identification) in the color schemes in part on its 1975 decision in *Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*<sup>92</sup> In that case,

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<sup>88</sup> See Mark Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1708 (1999) ("Ironically, having accepted the merchandising rationale for certain sorts of trademarks, we may find it hard to undo. It is possible that consumers have come to expect that 'Dallas Cowboys' caps are licensed by the Cowboys, not because they serve a trademark function, but simply because the law has recently required such a relationship.").

<sup>89</sup> *Id.* at 1706-07.

<sup>90</sup> *Id.* at 1708. "Merchandising right" as Lemley uses it here refers to an athletic team's exclusive right to profit from merchandise referencing the team, a right that Lemley considers a questionable goal of trademark law. *Id.* at 1707-09.

<sup>91</sup> The court was presented with, but ultimately did not rely on, slight anecdotal evidence that an apparel shop owner who carried Smack's apparel was occasionally asked by consumers: "Are these licensed?" Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 483 n.69 (5th Cir. 2008).

<sup>92</sup> *Id.* at 484.

the court held that a manufacturer of unlicensed cloth patches bearing professional sports team logos infringed on the plaintiffs' trademarks.<sup>93</sup> While the result may have been sound, the decision faced much criticism<sup>94</sup> for dicta that appeared to do away with the confusion requirement for trademark infringement: "The confusion or deceit requirement is met by the fact that the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the teams' trademarks."<sup>95</sup>

Critics argued that the decision really posited a "new 'merchandising right' to control all uses of a trademark of a sports team," which "seemed to be an independent right to exclude, unmoored to the traditional rule that likelihood of confusion of source, sponsorship or approval marked the outer boundaries of trademark infringement."<sup>96</sup> Yet even though the Fifth Circuit has since insisted that it was not divorcing likelihood of confusion from trademark law,<sup>97</sup> it ironically made the same mistake again in *Smack Apparel*, relying on the same flawed *Boston Hockey* reasoning:

We have previously noted, although not in the context of secondary meaning, that team emblems and symbols are sold because they serve to identify particular teams, organizations, or entities with which people wish to identify. See *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.* We think this desire by consumers to associate with a particular university supports the conclusion that team colors and logos are, in the minds of the fans and other consumers, source indicators of team-related apparel. *By associating the color and other indicia with the university, the fans perceive the university as the source or sponsor of the goods because they want to associate with that source.*<sup>98</sup>

This can be contrasted with the better-reasoned holding in *National Football League Properties, Inc. v. Wichita Falls Sportswear, Inc.*<sup>99</sup> which grounded itself in the traditional

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<sup>93</sup> *Bos. Prof'l Hockey Ass'n, Inc. v. Dall. Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

<sup>94</sup> See MCCARTHY ON TRADEMARKS, *supra* note 18, § 24:10; *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980); *Dogan & Lemley*, *supra* note 17, at 464, 473-74.

<sup>95</sup> *Bos. Prof'l Hockey*, 510 F.2d at 1012.

<sup>96</sup> MCCARTHY ON TRADEMARKS, *supra* note 18, § 24:10.

<sup>97</sup> See *Smack Apparel*, 550 F.3d at 485 (arguing that its holding in *KFC v. Diversified Packaging Co.*, 549 F.2d 368 (5th Cir. 1977), clarified that the *Boston Professional Hockey* decision did not do away with the confusion requirement).

<sup>98</sup> *Smack Apparel*, 550 F.3d at 477-78 (emphasis added).

<sup>99</sup> 532 F. Supp. 651 (W.D. Wash. 1982).

source-confusion rationale of trademark law. NFL team names and logos on jerseys were treated as source-indicators only because of strong survey evidence suggesting that the public had come to see them as symbols of approval or sponsorship.<sup>100</sup> Drawing the same conclusion about team color schemes with virtually no evidence is simply unwarranted.

Further, it's arguable that color plus identifying indicia simply might not be as well suited as a logo or word mark to gain traction in the public consciousness as a source-indicator. A logo is a distinct, recognizable symbol that can be reproduced in approximately the same manner on numerous products. In this way, it is well suited to function as a seal of approval. Color plus identifying indicia, by contrast, is a shapeless, indeterminate description of an almost infinite set of possible configurations.

In a particularly questionable move, the Fifth Circuit finds evidence of source identification in a pronoun found on Smack Apparel's shirts: "The use of the inclusive first-person personal pronoun "we" [in t-shirt slogans such as "Got Seven? We do!"] easily permits the inference that the schools are the speakers in the shirts and therefore endorsed the message."<sup>101</sup> A simpler reading seems more plausible: fans of a sports team tend to identify with a team, especially those in a university setting. Fans at college football games commonly hold up signs with messages like "We're #1." To suggest that this sign implies that "the schools are the speakers . . . and therefore endorsed the message" would be absurd.

Businesses in college towns might also display signs reading "We're #1" or "Celebrate our victory with two-dollar pints"—for example, a local tavern seeking to attract fans as patrons. According to the Fifth Circuit's reasoning, combining that message with a university color scheme might confuse consumers into thinking that the university had endorsed the tavern and its two-dollar pint promotion.

In short, the *Smack Apparel* reasoning is just creation of merchandising rights though the back door—dressing up what is really a non-confusion-based theory of ownership of a color scheme in the language of classic source-confusion-based trademark law.

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<sup>100</sup> *Id.* at 658-59.

<sup>101</sup> *Smack Apparel*, 550 F.3d at 489.

B. *The Red Herring of “Functionality”*

The *Smack Apparel* court, in finding the color schemes plus indicia to be source identifiers, reached the conclusion that color schemes did not play a “functional” role in the Smack products. The doctrine of functionality in trademark law effectively prevents would-be trademark holders from protecting elements of a product that also help the product serve its essential function in some way or to compete effectively in the marketplace.<sup>102</sup> The functionality doctrine is designed to prevent trademark holders from monopolizing or “locking up” design features that are necessary to market entry and competition.

But the analysis of functionality here turns, somewhat paradoxically, on whether the mark is really a “source identifier.” If the purpose of the color scheme “mark” is to identify the source of the goods, then Smack Apparel’s functionality argument evaporates—it would be nonsensical on its face to assert that the use of a source-identifying mark to falsely identify an infringing product’s source is “functional”; to claim as much would be to assert that infringement itself is functional. If one rejects the premise that the color scheme is a “source identifier,” however, then plaintiffs’ argument becomes moot. In other words, if the color schemes are not truly “source identifiers,” then they can have a valid functional purpose as asserted by Smack Apparel—to refer to and show affinity for the universities they signify.

IV. A MONOPOLY ON COMMERCIAL EXPLOITATION OF FAN AFFINITY

The preceding sections of this note have focused primarily on formalistic analysis of the Lanham Act and its case law progeny, and on examinations of the underlying purposes of trademark law and the policies behind it. This section, however, is about the fans.

College sports—especially college football—seem to command a special kind of fan devotion. As Warren St. John explains in “Rammer Jammer Yellow Hammer”—a memoir about a community of people who follow, by RV, the University of Alabama Crimson Tide football team to all of its away games—

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<sup>102</sup> See MCCARTHY ON TRADEMARKS, *supra* note 18, § 7:63-66.

[T]he sport [in Alabama] that inspires true fervor—the one that compels people there to name their children after a popular coach and to heave bricks through the windows of an unpopular one—is college football. A recent poll [the book was published in 2004] by the Mobile Register found that 90 percent of the state’s citizens describe themselves as college football fans . . . . To understand what an absolute minority nonfans are in Alabama, consider this: They are outnumbered by atheists.<sup>103</sup>

Further, college sports tend to inspire a level of ecstatic fan devotion that goes even beyond that of professional sports. Many of the fans of college sports are themselves alumni and thus feel a deep personal connection to their alma maters and their teams. Other fans, like Warren St. John, may have grown up in the area of the university. And the areas of some of the biggest powerhouse sports schools (Alabama, for example) often lack a professional sports franchise in the immediate vicinity, leaving the college teams as the sole local teams to root for.

As one British journalist, seeking to explain “the mystery of US college sports’ popularity” to a confused British newspaper readership, observed:

[Americans] have professional teams and leagues, and supporters are enthusiastic, but the spread of professional sport in the US is geographically narrow, confined in the main to the biggest urban centres. Vast swaths of the country—particularly the southern states—have no rooting interest. It is here that college sport really is elevated to the status of religion. It is a cultural thing.<sup>104</sup>

In other words, big-time college sports seem to foster a kind of community that both fans and commercial enterprises understandably wish to take part in. And members of the community also contribute in large ways to the “good will” of the university. Universities, and in particular their sports teams, are somewhat of a special case in this regard. Universities are not merely licensors of consumable products, but fosterers of academic, athletic and social cohesiveness. University sports have a participatory component—students compete, and those who attend games and root for college teams feel like they are taking part in the event. Even college-town businesses that in some sense free ride off of universities are at

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<sup>103</sup> ST. JOHN, *supra* note 37, at 1.

<sup>104</sup> Lawrence Donegan, *Education Buried Under Money-Spinning Mountain of US College Sport*, GUARDIAN (Jan. 8, 2009), <http://www.guardian.co.uk/sport/blog/2009/jan/08/american-college-sports>.



the same time contributing to the atmosphere of excitement and camaraderie around universities and their teams.

The Fifth Circuit correctly recognized that defendant Smack Apparel was deliberately capitalizing on the success of the football teams of OU, LSU and other universities in its manufacture of unlicensed apparel.<sup>105</sup> Indeed it would be difficult to view Smack's shirts any other way, as the shirts contain unmistakable references to the respective schools' football teams, and thus can be understood as products aiming to capture a segment of the market for fan merchandise for those teams. But trademark law does not necessarily protect against every attempt to capitalize on the success of another, nor should it. For example, a sports bar that merely chooses to locate itself near a college stadium is in some sense capitalizing on, or free riding on the success of the school's football team, but trademark law has no quarrel with such free riding. As the First Circuit observed in *WCVB-TV v. Boston Athletic Ass'n*,<sup>106</sup>

[T]he law sometimes protects investors from the "free riding" of others; and sometimes it does not. The law, for example, gives inventors a "property right" in certain inventions for a limited period of time; it provides copyright protection for authors; it offers certain protections to trade secrets. But, the man who clears a swamp, the developer of a neighborhood, the academic scientist, the school teacher, and millions of others, each day create "value" (over and above what they are paid) that the law permits others to receive without charge. Just how, when and where the law should protect investments in "intangible" benefits or goods is a matter that legislators typically debate, embodying the results in specific statutes, or that common law courts, carefully weighing relevant competing interests, gradually work out over time. The trademark statute does not give the appellants any "property right" in their mark except "the right to prevent confusion."<sup>107</sup>

*Smack Apparel*, in effect, does far more than protect universities and consumers from potential source confusion, but rather gives universities an effective monopoly on the display of affinity for the schools and their athletic programs. It does not, of course, directly prevent a fan from painting his body school colors or making a banner using school colors, because trademark law concerns only uses in commerce.<sup>108</sup> But

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<sup>105</sup> *Smack Apparel*, 550 F.3d at 482.

<sup>106</sup> 926 F.2d 42 (1st Cir. 1991). The case concerned another alleged infringing use of "Boston Marathon"—this time by a television station. *Id.* at 44.

<sup>107</sup> *Id.* at 45 (internal citations omitted).

<sup>108</sup> 15 USC § 1125 (2006). The "use in commerce" requirement stems from the Commerce Clause of the Constitution, because trademark law, unlike copyright and

it does seem to discourage or prevent the creation of any “unlicensed” product designed to in some way appeal to fan affinity, even if it’s unlikely anyone would assume that the product was sponsored by the trademark holding university.

For example, fans who paint their bodies in school colors before attending football games are not, of course, looking to give the impression that they have some kind of license, permission or approval of the university, but merely to express support for the university and its team. As it happens, universities have already licensed “official” body paint manufacturers,<sup>109</sup> but in theory, there is no reason why another body paint manufacturer shouldn’t be allowed to compete with these licensed manufacturers for the student market. Such competition would benefit consumers by driving quality increases and price cuts. Yet under *Smack Apparel*, it’s at least arguable that the moment a seller did anything to target an unlicensed brand of paint to fans at a particular university, the seller would be infringing on the university’s trademark by using its colors plus other identifying indicia, especially since “indicia” seems to encompass almost anything that makes clear reference to the university.

Such capitalization might be characterized as free riding on the goodwill of the university, but then so could a lot of other non-infringing business uses of references to a university. The *Smack* defendants themselves included in their exhibits photos of a number of local businesses that made unlicensed use of university indicia and colors.<sup>110</sup> In fact it seems to be common practice in college towns for local businesses to in some way reference the university and/or its teams. A search for “tiger” in the Princeton, NJ Yellow Pages,<sup>111</sup> for example, reveals business with names like “Tiger Garage,” “Tiger Noodles,” and “Tiger Inn,”—all of which free ride in some way off the goodwill of the Princeton University Tigers. Tuscaloosa, Alabama has a Crimson Café, a Crimson Chiropractic Center, a Crimson Castle Chess & Games, and many other “Crimson” businesses. The Crimson Inn Bed and

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patent law, does not derive from an independent clause in the Constitution. See MCCARTHY ON TRADEMARKS, *supra* note 18, § 5:3.

<sup>109</sup> BSI Products, for example, makes official collegiate licensed “Face & Body Paint” kits in school colors. See PUBLIC KNOWLEDGE BASED SHOPPING, <http://football.pubks.com/Lsu-Tigers-Face-Body-Paint-Kit> (last visited Feb. 26, 2011).

<sup>110</sup> *Smack Apparel*, 550 F.3d at 479.

<sup>111</sup> See YELLOW PAGES, <http://www.yellowpages.com> (last visited March 15, 2011). (enter “Tiger” in the first search box and “Princeton, NJ” in the second search box).

Breakfast even features “Mikal’s ‘Bama Room,” which is “decorated especially with the Alabama fan in mind.”<sup>112</sup> All are presumably attempting to attract business by appealing to fan sentiment about the Alabama Crimson Tide. Yet it’s hard to imagine that any of these businesses create a likelihood of confusion as to sponsorship or affiliation merely by referring to the University of Alabama.

V. UNIVERSITY TRADEMARK ENFORCEMENT AFTER *SMACK APPAREL*

The full ramifications of *Smack Apparel* for trademark law are not yet clear, but the potential certainly exists for overzealous color-based trademark enforcement by universities. This part will explain why *Smack Apparel* contributes to this problem, and will explore three recent cases in which universities overreached in attempting to enforce rights in their colors.

A. The “Trademark Extortion”<sup>113</sup> Problem

Court decisions make up only a small part of the overall trademark enforcement picture. Most disputes are resolved before they start, either through cease-and-desist letters that convince alleged infringers to stop their conduct, or through litigation that forces early settlement before a judge or jury can make any findings of fact or law.<sup>114</sup> Professor Kenneth Port of William Mitchell College of Law has suggested that trademark holders increasingly use both cease-and-desist letters and lawsuits,<sup>115</sup> not just to pursue objectionable behavior, but to expand their own trademark rights and deter market entrants.<sup>116</sup>

The potential harm of *Smack Apparel* manifests itself not only in court, but in these letters and “strike suits.”<sup>117</sup> The Fifth Circuit’s vague color-plus-identifying-indicia framework gives

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<sup>112</sup> See INFOHUB, [http://webcache.googleusercontent.com/search?q=cache:KD5I\\_lIt-lcJ:www.infohub.com/Lodgings/lodging\\_pages/1520.html+%22mikal%27s+bama+room%22&cd=1&hl=en&ct=clnk&gl=us&source=www.google.com](http://webcache.googleusercontent.com/search?q=cache:KD5I_lIt-lcJ:www.infohub.com/Lodgings/lodging_pages/1520.html+%22mikal%27s+bama+room%22&cd=1&hl=en&ct=clnk&gl=us&source=www.google.com) (last visited Mar. 6, 2011).

<sup>113</sup> See Kenneth Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008).

<sup>114</sup> See *id.* at 588-90.

<sup>115</sup> Port points to United States District Court data showing a steep increase since the 1970s in the overall number of trademark suits filed, combined with a decline in the percentage of trademark lawsuits that are resolved on the merits to a mere 1.3 percent in 2006. *Id.* at 589.

<sup>116</sup> *Id.* at 589-90.

<sup>117</sup> See *id.*

universities new opportunities to claim trademark infringement, to pursue dubious enforcement actions, and to force alleged infringers to acquiesce to cease-and-desist demands, regardless of the viability of the underlying infringement claim.

### B. *The Bud Light “Fan Can” Controversy*

Though cease-and-desist letters are not generally made public, at least one successful post-*Smack Apparel* trademark enforcement attempt by universities has garnered national media attention. Late in 2009, at least twenty-five universities sent cease-and-desist letters to Anheuser-Busch regarding its Bud Light “Fan Can” marketing scheme.<sup>118</sup> The “Fan Cans” feature color schemes resembling those of certain universities and are sold in the area of the respective universities,<sup>119</sup> but feature no marks or indicia of the universities other than the colors. Universities have nonetheless complained that the cans violate their trademarks<sup>120</sup> and that the cans improperly associate the schools with underage drinking.<sup>121</sup> Anheuser-Busch pulled the cans in a number of markets where they received complaints,<sup>122</sup> even though it maintained that it had the legal right to use the color schemes.<sup>123</sup>

The complaining universities appear to have been emboldened by the *Smack Apparel* holding. Bruce Siegal, counsel for the Collegiate Licensing Company, felt that the “fan cans” constituted infringement under *Smack Apparel*:

Our view was that the manner in which the Team Pride beer can program would be marketed would make it clear that the intent was to market product to students and fans of the respective universities, and that the use of colors and marketing and promotional activities would create confusion in the marketplace that the product was sponsored or authorized by the respective schools.<sup>124</sup>

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<sup>118</sup> Jon Fogg, *First Down: Budweiser’s Shady Ad Campaign*, WASH. TIMES (Sept. 5, 2009), <http://washingtontimes.com/news/2009/sep/05/first-down-budweisers-shady-ad-campaign>.

<sup>119</sup> *Id.*

<sup>120</sup> *OU, OSU Say This Bud’s Not for You*, OKLAHOMAN (Aug. 26, 2009), <http://www.newsok.com/article/3395703>.

<sup>121</sup> *Id.* An Iowa newspaper article suggested a slight irony to the University of Iowa’s complaint to this effect, in that the University of Iowa itself licenses its trademarks for pint glasses, pitchers, shot glasses, beer can coolers and bottle openers. *U of I, ISU Objection to ‘Fan Cans’ Is Questioned*, DES MOINES REGISTER, Sept. 12, 2009, at 1.

<sup>122</sup> *See, e.g., Fan Cans Canned*, KAN. CITY STAR, Sept. 18, 2009.

<sup>123</sup> *Id.*

<sup>124</sup> Siegal Interview, *supra* note 1.

Like the Fifth Circuit, Siegal appears to conflate “intent to market” with the creation of a likelihood of confusion. Moreover, Siegal’s comment demonstrates the slippery slope of the *Smack* holding. If “other identifying indicia” is to be left undefined, then why can’t it include the mere market context of a sale, or indeed, even apparent *intent* to associate with a particular university? When mere color plus intent to sell to fans becomes a “trademark,” it becomes obvious that the purpose is no longer to prevent confusion, but to lock up the right to profit from fan enthusiasm.

Of course, whether the Fan Cans actually would be infringement under *Smack Apparel* is questionable at best, since the cans use only the colors and no “other identifying indicia.” In fact, some school officials stated either that they did not own the color schemes alone,<sup>125</sup> or that the colors used on the fan cans weren’t confusingly similar enough to the school’s colors to warrant action.<sup>126</sup> But if treating them as infringing uses doesn’t fall within the letter of the *Smack Apparel* holding, it seems consistent with its spirit.

It hardly seems likely that the complaining universities hoped to get a piece of Bud Light’s sales revenue on the cans through licensing,<sup>127</sup> since pursuing such a course wouldn’t comport with discouraging underage drinking. But the complaining universities do appear to have hoped to use

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<sup>125</sup> Buxton, *supra* note 32 (quoting Brian Hommel, Director of Finance and Administrative Services, Louisiana State University); *see also* Mara Rose Williams, *Can the Team-Colored Bud Light Cans, MU, KU Officials Demand*, KAN. CITY STAR, Sept. 2, 2009 (“If the cans had a university logo and had a Powercat on them, then obviously we would be concerned. . . . We have a commitment to educating our students about underage drinking, but we don’t have a trade mark on purple and white.”).

<sup>126</sup> “‘The cans are definitely orange, but we would call it a (University of) Tennessee orange, or a Syracuse orange,’ said Christine Plonsky, [University of Texas at Austin] Director of Women’s Athletics, who oversees licensing and trademarks for the school. ‘We looked at it and said . . . it’s not our colors.’” Jeannie Kever, *Bud’s Fan Can Promo Losing Its Fizz*, HOUS. CHRONICLE (Aug. 27, 2009), <http://www.chron.com/disp/story.mpl/metropolitan/6590413.html>. Plonsky’s comment raises a specter of the very “shade confusion” that the Seventh Circuit once expressed concern about. *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990).

<sup>127</sup> One newspaper pointed out that the Bud Light “fan cans” commanded a local price premium over regular Bud Light. Jeff Wilkinson, *‘Fan Can’ Beer Sales Are Falling Flat*, COLUMBIA STATE, Aug. 28, 2009, at A (“The cases sell for \$15.99, which is \$3 more than a sale price on regular Bud Light cases offered at other stores.”). This is at least anecdotal evidence that, for better or for worse, the color scheme of the university alone has some economic value when affixed to a product. On the other hand, the same newspaper article quoted managers of two Columbia, S.C. liquor stores as saying that the fan cans were failing to sell well. One observed that consumers seemed to prefer “what’s on sale,” so there may in fact be little added value from the color schemes. *Id.*

trademark law to bolster their brand protection efforts by preventing association of their schools with unwholesome products. And it appears their effort was a success.

C. University of Alabama v. New Life Art

A more hopeful post-*Smack* outcome occurred in *University of Alabama Board of Trustees v. New Life Art, Inc.*,<sup>128</sup> where a Northern District of Alabama judge refused to find that a painter of University of Alabama football scenes had infringed on the University of Alabama's trademarks by using the team's crimson and crème color scheme in his paintings. The defendant artist, Daniel Moore, made a business of painting various lifelike sports scenes.<sup>129</sup> Moore had painted numerous University of Alabama football scenes, and in fact had previously had a licensing agreement with the University of Alabama, but the paintings at issue did not feature the registered trademarks of the University of Alabama.<sup>130</sup>

The case turned in part on the artistic nature of the defendant's paintings, which entitled them to special protection under the First Amendment.<sup>131</sup> In a finding that raises questions worthy of their own discussion, the court drew a distinction between the defendant's paintings and the merchandise he produced (such as t-shirts and mugs) with images of the same paintings printed on them.<sup>132</sup> The paintings were protected outright against infringement claims by the First Amendment; the merchandise was not and thus warranted scrutiny under Trademark law. Nonetheless, the court at least questioned the argument that Alabama's color scheme functioned as a trademark in the paintings, or that it would confuse consumers into thinking that the paintings were sponsored or authorized by the University of Alabama.<sup>133</sup> The

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<sup>128</sup> Memorandum Opinion, CV 05-UNAS-PT-585-W (N.D. Ala. Nov. 2, 2009) [hereinafter *New Life Art* Memorandum Opinion] (unavailable on Westlaw); Addendum to Memorandum Opinion, 677 F. Supp. 2d 1238, 1239 (N.D. Ala. 2009) [hereinafter *New Life Art* Addendum].

<sup>129</sup> *New Life Art* Addendum, *supra* note 128, at \*2.

<sup>130</sup> *Id.* at 1243.

<sup>131</sup> *Id.* at 1258.

<sup>132</sup> *Id.* at 1241; *New Life Art* Memorandum Opinion, *supra* note 128.

<sup>133</sup> *New Life Art* Memorandum Opinion, *supra* note 128, at 13 ("If the statement in *Leigh v. Warner Brothers, Inc.*, that 'Trademarks are not merely descriptive; they answer the question "who made it?" rather than "what is it?"' is applicable, the answer to 'who made it' is clearly 'Moore.'").

judge certified the case for immediate appeal,<sup>134</sup> recognizing “a plethora of issues for courts to disentangle,” and ultimately that its treatment of the trademark issue is cursory and incomplete. But hopefully the Eleventh Circuit will decline to extend the Fifth Circuit’s distortion of trademark law.

The New Life Art case is a perfect illustration of the distinction between a product that *refers to* a university with an intent to target its fan base, versus a product that actually confuses fans as to a source. The facts make clear that the defendant intended to target his paintings to University of Alabama fans. Even the artistic nature of the works does not change the fact that they were also commercial products seeking to tap into a particular market. But none of this should matter under trademark law, so long as there was no significant risk of consumer confusion. Further, it would seem questionable at best to allow a university to determine who could and couldn’t sell paintings evocative of its football team, or to allow a university to collect a fee every time one of those paintings was sold.

D. Madison County Winery, L.L.C. v. State of Iowa<sup>135</sup>

In 2010, at least one business owner successfully turned the tables on universities overzealously asserting trademark rights in their color schemes. The University of Iowa and Iowa State demanded that Madison County Winery, of St. Charles, Iowa, cease producing wines called “Iowa Gold,” and “State Red,” which, respectively, used color schemes similar to those of University of Iowa and Iowa State.<sup>136</sup> Rather than capitulating to the demands, the winery brought an action seeking a declaratory judgment that their wines violated no university trademarks.<sup>137</sup> The universities settled the lawsuit in June, 2010,<sup>138</sup>—a quick move toward settlement that may suggest that the universities realized they had been overzealous in their trademark enforcement.

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<sup>134</sup> The docket report for the *New Life* district court case suggests that procedural delays since pushed the appeal back further. As of January 3, 2011, no appellate decision has been handed down.

<sup>135</sup> Complaint, 4:10-cv-133 (S.D. Iowa Mar. 26, 2010).

<sup>136</sup> *Id.* at 6-9.

<sup>137</sup> *Id.*

<sup>138</sup> B.A. Morelli, *Weiger’s Accuser Received \$130,000*, IOWA CITY PRESS-CITIZEN, Sept. 9, 2010, at B1.

The lawsuit points out that the “red” and “gold” refer to the colors of the respective wines. But even assuming the colors are in fact chosen to help market the wines to University of Iowa and Iowa State fans, this alone does not justify using trademark law to block them absent a likelihood of consumer confusion.

## CONCLUSION

This note proposes two possible alternatives to *Smack Apparel*. The first is to create an alternate “unfair competition” legal theory under the Lanham Act or under state law, combined with a more fact-specific approach to infringement. The second is to simply keep—as much as possible—the pre-*Smack Apparel* status quo, avoiding the creation of a murky trademark regime where the extent of rights in color marks will never be clear.

### A. *Tackling Egregious Offenders with an Expansion of Unfair Competition Law*

Section 43(a) of The Lanham Act provides a cause of action for “unfair competition” in general.<sup>139</sup> However, this provision has long been used almost exclusively for the enforcement of unregistered trademarks.<sup>140</sup> Parties like the *Smack Apparel* plaintiffs use Section 43(a) to enforce trademarks that they have not yet registered (or have been unable to register), but in which they have still developed common-law rights. In theory, however, unfair competition is a broader doctrine based in tort and equitable concerns.<sup>141</sup> A new application of Section 43(a) might thus be created to use against producers that compete in an especially unfair way with licensed products but manage to skirt existing trademark law.

A reasonable argument could be made that Smack Apparel’s conduct in particular amounts to unfair competition—that Smack Apparel’s free riding on the good will of universities and colleges (and professional sports teams) is so wanton and widespread that it should be enjoined. If courts find something commercially indecent about producing unlicensed t-shirts that both refer to universities and target their fans without sharing profits with universities, a non-

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<sup>139</sup> Lanham Act, 15 U.S.C. § 1125(a) (2006).

<sup>140</sup> DINWOODIE & JANIS, *supra* note 12, at 14

<sup>141</sup> MCCARTHY ON TRADEMARKS, *supra* note 18, §§ 1:8, 1:9



trademark-based unfair competition theory could be employed. An unfair competition theory might thus allow wronged parties to deal with particularly egregious offenders on a case-by-case basis without giving blanket rights to zealously enforce a nebulous trademark.

To make such free riding by itself (without likelihood of confusion) actionable in this way could make it very difficult to determine what level of conduct is legally unfair competition. However, at least this would avoid creating larger problems with trademark law. Universities could go after offenders that profit heavily from their goodwill and take profits the university arguably deserves, without sweeping every product that references the university into the net. Without the weapon of the *Smack Apparel* holding that the color schemes are enforceable trademarks, universities would also have less of a mandate to go after products like the Bud Light fan can and the Madison County Winery wines via intimidating cease-and-desist letters. In other words, universities would not have a precedent to cite giving the impression that they had total rights in their color schemes. Instead Universities would be forced to, in a sense, “put their money where their mouth is,” by litigating cases they truly believed to be unfair competition. This would enable universities to tackle the worst offenders while checking their tendency to lock up all products remotely related to the university—a trend that blogger and trademark attorney Ron Coleman characterizes as “the rent-grabbing aspects of this business model.”<sup>142</sup>

Currently, the unfair competition law approach seems unlikely since unfair competition law, especially under section 43(a) of the Lanham Act, is virtually exclusively used for unregistered trademarks.<sup>143</sup> The doctrine has, however, seen some recent revival in so-called “hot news” cases of unfair competition between media sources,<sup>144</sup> and perhaps it could see revival in other contexts as well.

#### B. *Maintaining the Pre-Smack Apparel Status Quo*

A second approach, and perhaps preferable approach, would be for courts to simply draw a solid line at definable

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<sup>142</sup> See Ron Coleman, *Turning Back That Crimson Tide*, LIKELIHOOD OF CONFUSION (Nov. 3, 2009), <http://www.likelihoodofconfusion.com/?p=3639>.

<sup>143</sup> DINWOODIE & JANIS, *supra* note 12, at 14.

<sup>144</sup> See, e.g., MCCARTHY ON TRADEMARKS, *supra* note 18, § 10:62.10.

trademarks and refuse to enforce beyond that line. It is simply not a proper goal of trademark law to enforce a university's ability to profit from every single commercial appeal to its sports fans. Free riding, by itself, shouldn't be a cause of action. As Mark Lemley put it,

[T]he [Dallas] Cowboys might make less money than they would if trademarks were absolute property rights, and they might argue that this "discourages investment." But so what? The point of trademark law has never been to maximize profits for trademark owners at the expense of competitors and consumers.<sup>145</sup>

In a sense, the fans, too, have invested in building up the good will of these schools and deserve to benefit from competition in the market for fan-targeted goods and services.

Ultimately, if trademark law is to grow beyond its original source-confusion-prevention purpose and take on the dimension of recognizing a merchandising right for universities, then the legislature, rather than the courts, should spearhead the expansion. And even if such a "merchandising right" were to be legislatively created, it's not clear that it should include all permutations of color plus identifying indicia, since this would still leave the boundaries of the right unclear. Congress can amend the Lanham Act if it wishes, but as long as it doesn't, the other circuit courts should steer clear of the Fifth Circuit's murky reasoning in *Smack Apparel*.

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<sup>145</sup> Lemley, *supra* note 88, at 1708.

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